



Using Diversity. Changing Work Styles.

Based on the recognition that the diversity of human resources is the source of corporate competitiveness, J. Front Retailing believes it is important to ensure as a company “non-discriminatory treatment” in terms of nationality, gender, thought, belief and even working conditions and maintain and improve it.

Work-life balance is important to keep employees healthy both mentally and physically and we aim to realize a workplace in which employees can work lively and achieve high productivity by creating a pleasant working environment and taking care of employees’ health.

① Promoting women’s empowerment

Appointment of female leaders

Regardless of gender, we promote the assignment and use of human resources based on individual ability, performance, aptitude and motivation. At Daimaru Matsuzakaya Department Stores, women accounted for 32.5% of total leadership positions in March 2018. And three female Executive Officers serve as the Executive Store Managers of its flagship stores (21.4% of a total of 14 Executive Officers). We will actively appoint women to leadership positions and other important positions to further empower motivated women.

Mother Recruitment

Recently, while more and more women are entering into the workforce, they leave their jobs for childbirth at a high rate, which has become a social issue. We launched the “Mother Recruitment” program in fiscal year 2017 to hire experts who left their jobs for child care. Six people

were hired by June 2018 and they are working for legal, finance, real estate and other divisions using their expertise and skills.

JFR Women’s School

We opened the “JFR Women’s School” in fiscal year 2018 for short-time workers of the Group who keep working while raising children. They aim to continuously enhance their career by acquiring time management and leadership skills, financial knowledge and others to perform at their best within a limited time.

*The average lengths of service of the male and female employees of Daimaru Matsuzakaya Department Stores are 23.4 years and 23.2 years, respectively.

② Employment of disabled people

We recognize that the employment of people with disabilities is a corporate social responsibility and actively strive to promote that. “JFR Create” was established in April 2017 for the purpose of securing a stable working environment for disabled people and creating a workplace in which they can exercise their abilities and it was certified as a special subsidiary by the Health, Labor and Welfare Ministry in September 2017. The company was registered as an “Excellent Support Company for the Disabled in Osaka” for actively hiring and providing job assistance for disabled people.



Work at JFR Create (enclosing)

Employment rate of disabled people (total of Daimaru Matsuzakaya Department Stores, JFR Create, JFR Service, Dimples and Daimaru Matsuzakaya Sales Associates): 2.21% (as of June 1, 2018)

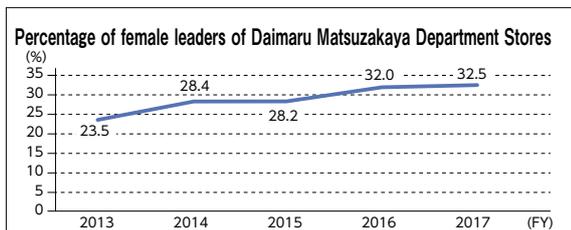


Daimaru Matsuzakaya Department Stores female employees in leadership positions (as of March 1, 2018)

	Number of females	Total	Percentage of females
General Manager	12	102	11.8%
Other leadership positions	221	616	35.9%
Total	233	718	32.5%

*The figures above include workers temporarily transferred to Daimaru Matsuzakaya Sales Associates.

*The number of “other leadership positions” is the total of Managers, Submanagers, Buyers (including Supervisors and Section Leaders from Daimaru Matsuzakaya Sales Associates).



③ Post-retirement reemployment program

In order to respond to changes in the social environment such as the rapid aging of the population amid extremely low birthrates and the raising of the age at which public pension payments begin and effectively use highly professional people, we adopt a reemployment program for employees who have reached the mandatory retirement age. The “My Life Plan Seminar” is held for employees aged 53 and over to help make their life after retirement rich and 316 employees attended the seminar in fiscal year 2017. Lecturers from inside and outside the Company provide information and advice on the future economic

design, healthcare, job satisfaction and purposes in life for employees before reaching the retirement age.

④ Promoting human rights education

We provide human rights education and strive to raise employees' awareness of human rights from the perspective that individual employees should correctly recognize and understand human rights issues and that we should further promote the creation of corporate culture and corporate social responsibility based on respect for human rights. Daimaru Matsuzakaya Department Stores has a Human Rights Awareness Promotion Committee, which is chaired by the Executive General Manager of Human Resources Development Division. (The Committees in stores are chaired by their Executive Store Managers or Store Managers.) Its activities include human rights education through trainings when employees join the company and in-house seminars as well as various seminars organized by the governments and various educational materials distributed to employees.

⑤ Systems to realize work-life balance

Daimaru Matsuzakaya Department Stores has in place the following systems.

Systems related to child care and family care

Systems with coverage exceeding statutory limits are in place.

Systems related to child care and family care exceeding statutory limits at Daimaru Matsuzakaya Department Stores and the number of takers in FY2017

	System	Description	No. of takers
Child care	Child care leave	Up to the last day of the month in which the child enters an elementary school (at the longest until the child reaches two years of age under law)	175
	Shortened working hours for child care	Up to the last day of the month in which the child enters an elementary school (for children under three years old under law). The "optional working hours system" allows shortened working hours until the child enters a junior high school.	137
	Sick/injured child care leave	Paid (Unpaid leave is permitted by law.)	144
	Child care support leave	Four days of paid leave for raising children under three years old (No such leave is granted by law.)	20
	Maternity leave for spouse	One day of paid leave (No such leave is granted by law.)	8
Family care	Family care leave	Up to a total of one year of leave per subject family member can be taken consecutively or separately any number of times. (Up to 93 days of leave can be taken separately up to three times under law.)	2
	Nursing care leave	Paid (Unpaid leave is permitted by law.)	31

Optional working hours system

We adopt a system that allows employees to choose shortened working hours for child care, family care, hobbies to enrich senior life and other reasons.

(Purpose and period: Up to the last day of the month in which the child enters a junior high school for child care, a period in which the employee needs to take care of his/her family member for family care, etc.)

Area Limited Employee System

In response to diversifying sense of working, values and lifestyles, we adopt the "Area Limited Employee System" to increase work options and build a foundation on which employees autonomously think of the balance between their career formation and life and act accordingly. Employees can choose their place of work from among five areas including Sapporo, Tokyo, Kansai, Chubu and Shizuoka.

⑥ Changing work styles

As a holding company, J. Front Retailing strives to change work styles so that employees can create something new. On the occasion of the relocation of the head office in January 2018, we reduced



Meeting space in the head office of J. Front Retailing

documents by approximately 80% and adopted a "free address system" that allows workers to freely choose their seats. We also promote paperless operations by digitalizing meetings, that is, "seeing meeting materials on a computer screen instead of printing them."

⑦ Health care measures

Based on the basic idea that employees are the company's greatest asset and that it is the most important of all things to keep employees healthy both mentally and physically in order to provide better services to customers, our specific health care measures focus on primary disease prevention.

To this end, we conduct health examinations to prevent lifestyle diseases and gynecological examinations for all employees aged 35 and over, as well as legal regular health examinations.* Dealing with mental health within the large framework of total mental and physical health care, we offer stress checks as a self-care tool. We put importance on health guidance provided by health care teams based on their results.

*In fiscal year 2017, 99.7% of the employees of Daimaru Matsuzakaya Department Stores had regular health examinations.

⑧ Labor-management relations

In Japan, the Labor Standards Act and other labor relations-related laws set forth basic rules regarding labor rights including employment opportunities, working hours and health and safety and require both labor and management to comply with them.

At each operating company in the Group, issues concerning working conditions and the improvement of economic status are resolved autonomously by labor and management in line with the actual situation of the unit labor union. J. Front Retailing and the Federation of J. Front Retailing Group Labor Unions hold the "JFR Labor-Management Meetings" to deepen the mutual understanding of labor and management and help operating companies in the Group develop smooth labor-management relations.

*In fiscal year 2017, 88.3% of the employees of Daimaru Matsuzakaya Department Stores belong to the labor union.